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The
Annual Report
1952

Central National Bank
of Cleveland

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The Annual Report 1952

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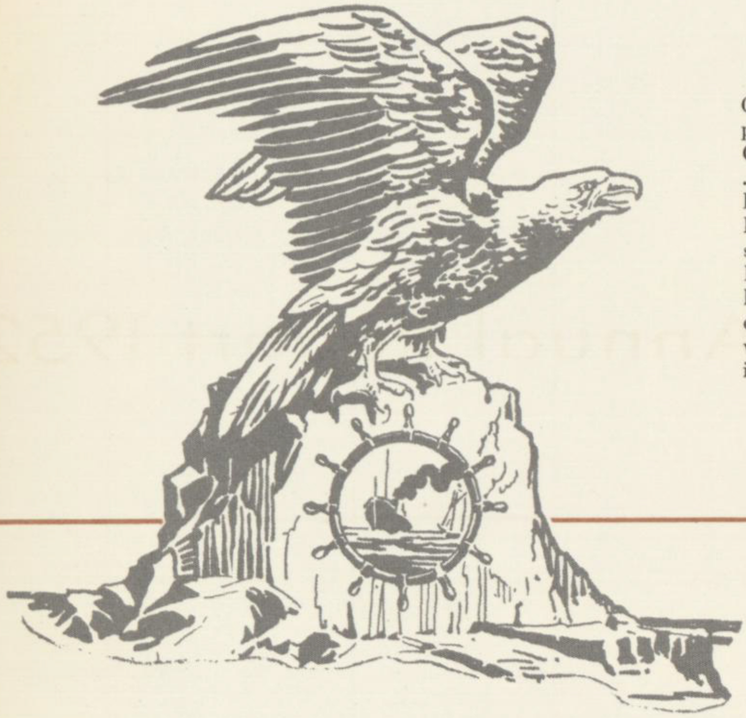
Central National Bank of Cleveland



Central National Bank's emblem is divided into three parts . . . *the eagle* itself, representing the United States Government . . . *the rock*, representing the Federal Reserve System . . . and *the ship*, representing Central National Bank of Cleveland. The pilot's wheel around the ship indicates the bank's leadership in the community of industries and individuals it serves. The legend of these elements is that Central National Bank of Cleveland, trusted with the funds of its depositors, has embedded itself, for their safety, in the solid rock foundation of the Federal Reserve System, so that every dollar deposited with it is protected by United States Government supervision, including that of the Federal Deposit Insurance Corporation.

CENTRAL NATIONAL BANK
of Cleveland

Statistical Summary of the Report

	1952	1951
BALANCE SHEET ITEMS		
Total Assets	$505,150,566	$469,466,446
Principal Asset Items:		
Cash and Due from Banks	$122,379,989	$114,913,905
U. S. Government Obligations	207,735,222	200,653,592
Other Bonds and Securities	1,657,130	2,137,362
Loans and Discounts	165,586,917	148,200,696
Principal Liability Items:		
Demand Deposits	$348,001,067	$322,898,658
Time Deposits	130,483,293	125,416,335
Total Deposits	$478,484,360	$448,314,993
Capital Funds:		
Capital Stock	$ 9,000,000	$ 9,000,000
Surplus	9,000,000	9,000,000
Undivided Profits	1,870,175	1,108,610
Total Capital Funds	$ 19,870,175	$ 19,108,610
OPERATING RESULTS		
Operating Earnings	$ 3,322,374	$ 2,717,237
Federal Income Taxes	1,160,000	610,000
Net Operating Earnings	$ 2,162,374	$ 2,107,237
Operating Earnings Transferred to Reserves	775,000	1,300,000
Operating Earnings After Reserves	$ 1,387,374	$ 807,237
Per Share of Common Stock		
Operating Earnings	$ 5.90	$ 4.83
Federal Income Taxes	2.06	1.09
Net Operating Earnings	$ 3.84	$ 3.74
Operating Earnings Transferred to Reserves	1.38	2.31
Operating Earnings After Reserves	$ 2.46	$ 1.43
BOOK VALUE AND DIVIDENDS—PER SHARE		
Book Value of Capital Stock	$ 35.32	$ 33.97
Dividends Paid on Capital Stock	1.40	1.30(a)

(a) Also two stock dividends aggregating 13.305785%.

Summary of the 1952 Annual Report

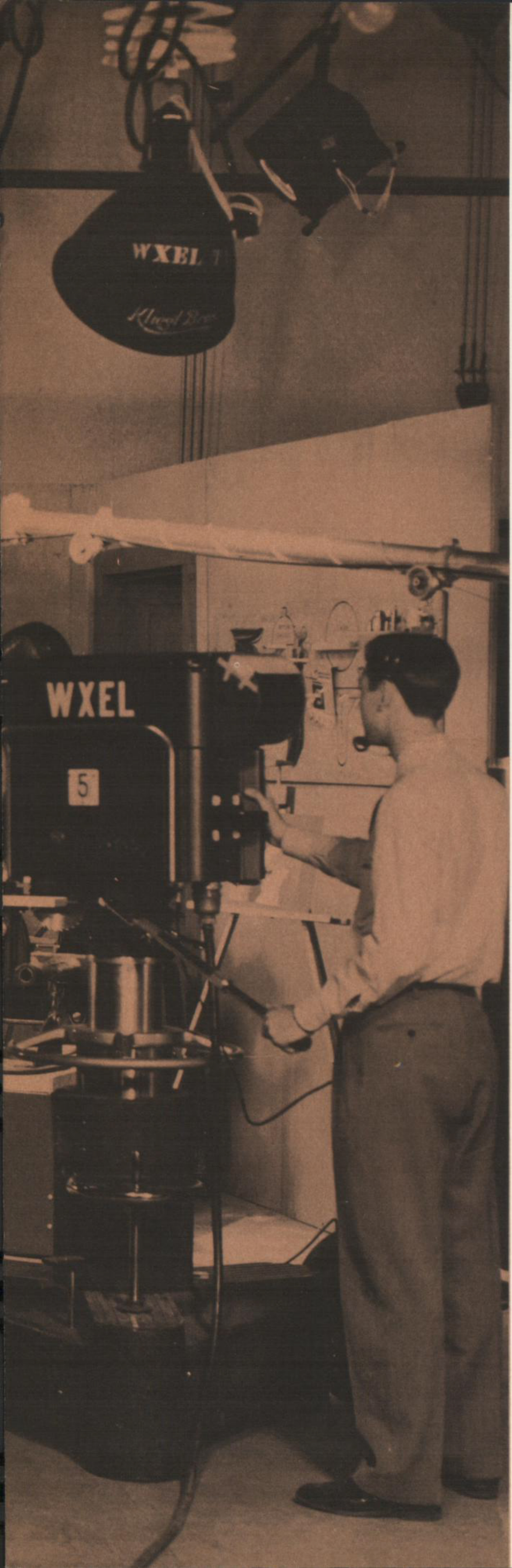
The year 1952 has been one of continuing growth in our business—in earnings, in deposits, and in the number of persons using our financial services. While operating expenses increased, net earnings before taxes were the highest in our history. Federal income taxes took a larger percentage of our earnings in 1952 than in any prior year; but, even so, net earnings after taxes were slightly higher than in 1951.

We are participating in the financing of the highest peacetime business activity in the history of the nation. This, coupled with our part in the defense effort, has brought our loans to new high levels. Interest rates have firmed slightly over the period. Our Foreign Division benefited from accelerated world trade, particularly from improved conditions in Canada, Mexico, and South America. Our Trust Department served more individuals and more corporations than ever before, with customers in every state in the Union and many foreign countries.

All of the other services offered by your bank shared in the total growth of our business. Automobile Banking, which is becoming a necessity as well as a convenience, was used by more and more of our depositors. The use of Bank-by-Mail facilities increased, which is desirable from an operating standpoint because of the relatively low cost of handling these transactions. Our branch banking program is bringing all of our services to more of the people of our community.

We have reason to express satisfaction with the achievements of the past year, and to look forward to continued progress.

TV.
WXEL
COVENTRY OFFICE



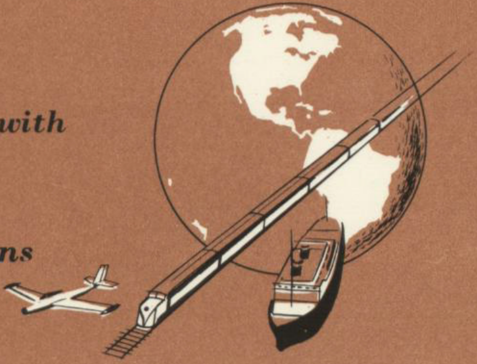
The growth and success of Central National Bank of Cleveland depends in a large measure on the extent to which it can be of assistance to all segments of the community it serves.

The services and facilities of the bank are forms of this helpfulness. Vaults safeguard cash, securities and other valuables. Checking accounts, draft and collection services and Foreign Division activities facilitate the exchange of money. Loans to individuals and businesses . . . trust functions, financial counseling, escrow service . . . the sale of sales tax stamps, the collection of utility bills . . . all of these are services that a great many persons use to their benefit.

This motive is a reason why one of Central National's principal forms of communication, its television program, "*Around Home,*" is devoted to helping others to *help themselves.* Through this program, viewers have been given more than 1,000 handyman hints to help make their homes more livable and their home life more pleasant.

An accompanying feature of this Annual Report shows typical examples of handyman hints presented to an average evening audience of about 150,000 persons.

Money Moves with the Speed of Communications



Through its correspondent banks throughout the world, Central National accomplishes for customers the payment and collection of small and large sums of money at points across our continent . . . on the other side of the globe . . . almost any place . . . without a need for the physical shipment of the cash involved.

Checks, drafts and other negotiable paper, and the miracle of modern communications make this possible. Central National utilizes, regularly, the facilities required to fulfill every individual and corporate need for the transfer of funds or credit.

In Cleveland, in 1952, Central National handled the collection of more than 40 million checks . . . mere slips of paper, but moving in all directions, motivating myriad kinds of action.

Thrift Is Security . . . and Progress on Many Fronts

For individuals, businesses and communities, the practice of economic thrift creates a reservoir of security, to meet financial emergencies . . . and a means of progress when opportunities require the use of cash. Collectively, the accumulated funds of Central National depositors are the reservoir of credit that enables thousands of borrowers to meet almost every type of financial need . . . to buy the products of industry . . . cars, homes, appliances. This same reservoir of credit helps business purchase raw materials and provides funds for plant expansion . . . facilities that make jobs for thousands.

Central National encourages thrift, and its ultimate benefits, with the conventional form of savings account and with special accounts devised to appeal to specific needs of depositors.

The Annual

TO SHARE-OWNERS of
Central National Bank of Cleveland:

This is the 63rd annual meeting of share-owners of the bank, and your management welcomes the opportunity to review with you the results of the year's operations.

It is the first time in the history of the bank that resources in excess of a half-billion dollars have been reported. We are gratified with the continued growth in deposits, the upward trend in earnings, and, above all, the increased number of businesses and individuals making this bank their financial headquarters.

The general economic scene has cleared considerably in the past twelve months. Barring unforeseen circumstances and events, it seems reasonable to assume that anticipated removal of controls will permit the development

Report for 1952

of long-range business planning which should be beneficial to the entire country.

Here at the bank, the year just closed was characterized by some slight continued firming of interest rates on earning assets which was in keeping with national trends and which has improved our earnings. We have made progress in our branch banking program in that we have opened two new offices, our 15th and 16th and soon will relocate one of our established offices. Additional branch offices are being planned. One of the new offices opened during the year is located at 13917 Cedar Road and serves important suburban communities on the eastern fringe of the city. The second, at 6300 Brookpark Road, brings needed banking facilities in a vital and growing residential and industrial area to the southwest. Presently housed in a temporary structure, this office will occupy permanent quarters, now under construction on the same site.

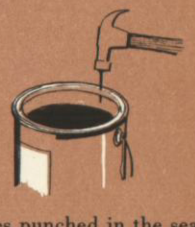
Our Buckeye Road Office, established at 11801 Buckeye Road since 1933, is to be relocated in new and enlarged quarters at 11819 Buckeye Road, a few doors to the east. This new location will provide adequate space for constantly increasing business.

EARNINGS

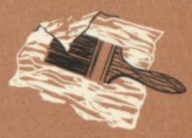
Continued growth in deposits and loans during the year 1952, coupled with moderate increases in interest rates on both loans and investments, resulted in materially higher interest income. Despite increased operating expenses, net operating earnings before Federal income taxes reached a new high. Federal income taxes took a much larger percentage of our earn-

The items below are typical of the handyman hints used on our television program, "Around Home."

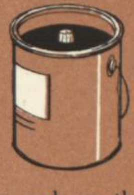
PAINTING TIPS



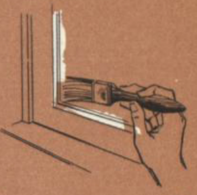
Holes punched in the sealing rim of a paint can permit the paint that collects there to drain back into the can. To insure a tight seal, run your brush around the rim before closing the can.



If you stop painting in the middle of a job and can't resume for a few hours or even a few days, wrap your brush in aluminum foil. If sealed tightly, it will stay pliable until you begin painting again.



Float a cork on the surface of paint before you seal the can. When you reopen the can, the film that often forms on the surface can be removed easily by cutting the edge with a knife and lifting the film out by the cork.



Before you paint windows, apply a band of liquid wax with a brush or cloth around the edge of the glass, up to the frame. The wax prevents paint from adhering firmly to the glass; makes paint easy to remove with a razor blade.

Wise Borrowing Boosts Business

Consumer credit, particularly installment financing, is an outgrowth of America's mass-production economy. It enables more persons to purchase more durable goods . . . automobiles, refrigerators, television sets, and countless other articles . . . and to enjoy their use while paying for them. Consumer credit creates a demand for goods which, in turn, creates employment and improves the standard of living of the nation.

Central National Bank finances Time Sales by lending money directly to purchasers and, also, by making short-term loans to retailers.

Leveling the humps in personal expenses

Almost everyone, sooner or later, needs extra money for one purpose or another . . . medical bills, school expenses, taxes, or perhaps to take advantage of favorable price conditions.

Every year, more and more Greater Clevelanders depend upon Central National for personal loans for such purposes, and at repayment schedules patterned to fit individual requirements. Frequently, too, borrowers have found the financial counsel of the loaning officer extremely valuable and, as a result, have established account relationships with us.

ings in 1952 than in any prior year. Notwithstanding this fact, net operating earnings after this tax were slightly in excess of those for 1951.

Net operating earnings for the year 1952 amounted to $2,162,374 compared with $2,107,237 for the year 1951. These earnings equal $3.84 per share of capital stock for 1952 compared with $3.74 per share for 1951.

The net earnings are after provision for Federal income taxes in 1952 of $1,160,000, and $610,000 in 1951. These income taxes are equal to $2.06 per share in 1952 and $1.09 per share in 1951.

Total Operating Income for 1952 was $11,385,491 which was an increase of $1,188,533 over 1951. Operating expenses amounted to $8,063,116 which was an increase of $583,396 over the previous year. Increased payrolls of $456,964 accounted for most of the increase in expenses. Staffing of two new offices and expansion of all phases of the bank's business was accomplished with no increase in personnel. In recognition of excellent performance and in keeping with the trend in economic conditions, a general salary increase of 8⅓% was approved by the Board of Directors. As in 1951, the Board again authorized an additional contribution of $121,067 to the Employes' Retirement Plan Fund toward the cost of service benefits for prior years. This contribution is an allowable deduction for Federal income tax purposes.

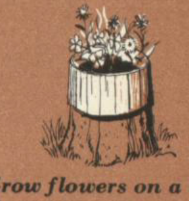
VALUATION RESERVES

In 1948, under a formula prescribed by the United States Treasury Department, your bank adopted the reserve accounting method for bad debts. The purpose of this procedure is to provide reserves for any future losses, if such losses should develop. These valuation reserves have been provided from operating earnings. Over the past five years, such earnings as were transferred to valuation reserves under the formula have been free from income taxes. While the basic concept of the reserve procedure as authorized by the Treasury Department is entirely sound, there are certain limitations in the formula which require a heavy concentration of transfers to valuation reserves within a limited period of years. During 1952, reserves were increased $775,000 from earnings and $100,424 from recoveries. At the present time, under application of this formula as prescribed by the Treasury Department, we have reached the limits of tax-free transfers to our valuation reserves.

Charge-offs for the year amounted to $195,537. The balance in the bad debt reserve at the year-end was $4,538,342.

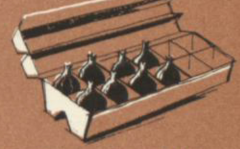
The items below are typical of the handyman hints used on our television program, "Around Home."

GARDEN TIPS



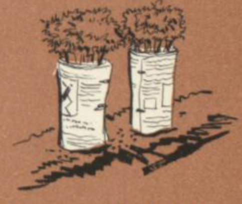
Grow flowers on a stump

Here's a way to turn an unsightly stump into a lovely lawn decoration. First, fence in the top of the stump as shown . . . barrel staves are ideal for the purpose. Then put rich topsoil inside the fence and plant flowers.



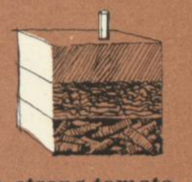
Container for tulip bulbs

Egg cartons make excellent containers for storing tulip bulbs. The cells in the cartons are just the right size.



Easy way to bleach celery

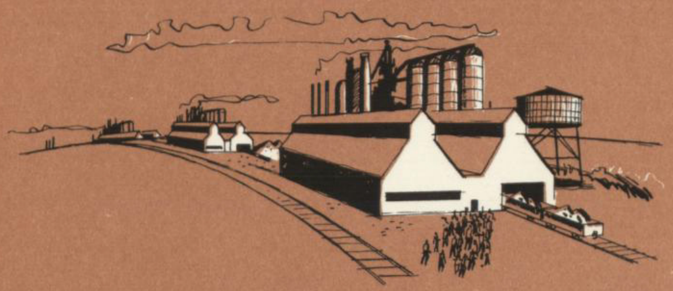
You can bleach celery easily without hilling it up. Wrap a section of newspaper around each plant and fasten with a stapler or with pins.



Big, strong tomato plants

Dig a hole two feet deep and two feet square for each plant. Arrange corncobs, rotted manure, and topsoil in layers, as shown. Insert a length of pipe deep enough to reach the corncobs. Water regularly through the pipe. The roots grow downward, seeking the moisture retained in the corncobs, thus developing an exceptionally deep-rooted plant.

Financing Industry for Prosperity



Meeting the financial needs of business and industry requires an intimate understanding of both manufacturing and marketing methods. Central National's commercial loan officers help frequently to translate ideas into products. Helping business finance raw material purchases, complete manufacturing processes, and meet payrolls, are typical examples of the business loans essential to industrial efficiency. Without America's genius for financing every facet of business, our standard of living would be lowered.

Financial counsel to small and large businesses results in secured and unsecured commercial loans that help turn the wheels of industry in our community.

TRUST AGREEMENT

A Trust . . . in Central National Bank

Simply stated, one of the principal functions of trust service is to carry out the intent of the maker or makers of the trust. Thus, trust officers combine common-sense understanding with experience, wisdom, specialized knowledge and up-to-the-minute information on matters relating to their responsibilities.

For corporations, our trust service includes keeping of stock transfer records, the safekeeping of security portfolios, acting as trustee of plans for pension and profit sharing trusts, and other related duties. In various kinds of corporate and municipal financing, Central National serves as trustee and paying agent for bond issues.

For individuals, among other functions, Central National serves as executor and trustee of estates under a will and as trustee under a living trust. The advice and assistance of trust officers is invaluable in assuring an orderly way of life for beneficiaries and in assuring full benefits under existing tax laws. To many minors, a bank officer has been a "father" . . . and his experience and knowledge have comforted many a widow faced with financial decisions.

As is our customary practice all questionable assets have been eliminated from the bank's portfolio.

SECURITIES

Securities owned total $209,392,353 at the year-end, of which $207,735,222 or 99% were in U. S. Government obligations, $1,117,130 in other bonds, and $540,000 in stock of the Federal Reserve Bank. Of the Government securities, 80.3% have a call or maturity date within the next five years.

LOANS

We have been privileged to participate in financing civilian and defense production needs, both of which continue at high levels. This combination carried our loans to a new peak at the year-end, the total being $165,586,917, an increase of $17,386,221 for the 12-month period. All categories of our portfolio—commercial, collateral, real estate mortgage, and time credit loans, participated in the increase. Our loans have excellent diversification and a substantial amount results from seasonal requirements of customers.

☆ ☆ ☆

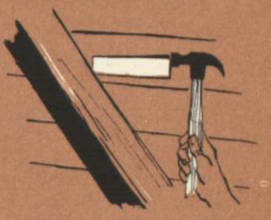
Our Mortgage Loan Division has continued its growth on a selective and conservative basis. Increased use has been made of our escrow facilities, a service essential to the transfer of real estate properties. Homeowners continue to make payments well in excess of requirements. We welcome this in the belief that every unencumbered home adds to the strength of a free nation. At the year-end, 53% of our real estate mortgages were guaranteed under provisions of the FHA and the GI Bill, and the remainder were of the conventional type. Practically all loans are placed on a monthly payment basis. We hold 7,058 mortgages averaging $6,341 each. Our mortgage loan services are available at each of our 16 offices.

☆ ☆ ☆

Our Time Credit Division, specializing in installment loans to individuals and businesses, has just completed another successful year with satisfactory earnings. During 1952, more than 27,000 individuals and companies have had the benefit of lending facilities, borrowing more than $26,000,000. This department's loan portfolio, largely, is composed of personal loans, automobile and appliance paper, FHA home improvement loans, and forms of rediscount including advances secured by accounts receivable. All of these together provide a wide diversification of risk. A large percentage of these loans originates in our branch offices. Many corporations have adopted the practice of recommending our personal loan facilities to their employes.

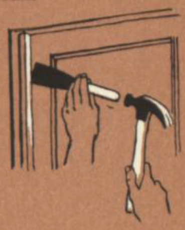
The items below are typical of the handyman hints used on our television program, "Around Home."

℞ FOR HOME REPAIRS



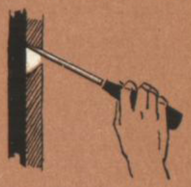
Eliminate that squeak

Drive a thin wedge of wood between the floor and the joist at the point nearest the squeak—add wedges at other points if needed. For upstairs floors, drive nails through floor into joists at points nearest the squeak.



Unstick that window

Where paint is the cause of sticking, carefully run a razor blade between sash and beading strip. If razor blade fails, use a putty knife, tapping it in gently with a hammer. If window is too tight, remove bead strip, take out sash, and sand or plane at point where friction is occurring.



Patch that plaster

Bevel edges of hole as shown. Moisten thoroughly and smooth in patching plaster, leaving surface of patch slightly higher than the rest of the plaster. Sand smooth when dry.

Linoleum patching

Choose a wax crayon of the right color and melt enough of it to fill small holes and cracks. Or use a wood rasp or coarse file to grate off some of the surface of an unused piece of the linoleum, mix the gratings with a little shellac, and smooth mixture into hole. Sand lightly and wax.

Finance with a Foreign Accent

In addition to handling the financial complexities of world-wide foreign trade transactions for many companies, Central National's Foreign Division often obtains certain information required by its customers . . . credit reports, customs regulations affecting the use of a product, import-export regulations, marketing procedures, climate conditions and many other facts. Frequently our Foreign Division staff corresponds directly with a bank in the country concerned for the specific data wanted.

The improving financial stability of many overseas countries, combined with expanding reconstruction and rearmament programs, is widening swiftly the scope of Central National's Foreign Division activities with industry in this area . . . yet, a bank officer, too, always is pleased to assist a Clevelander in a personal transaction such as sending a twenty-dollar money gift to a relative in a village halfway around the world.

Travel Cash . . . Without Risk

Almost everyone carries an extra sum of cash when traveling. At such times, the risk of loss or theft can be eliminated by the use of Travelers' Checks or Travelers' Letters of Credit, or both. In the event of loss, reimbursement is assured.

Central National has many customers who carry Travelers' Checks with them regularly, as an emergency source of funds. Experienced travelers in the States and abroad consider the safety and convenience of such accommodations indispensable to an enjoyable trip.

Our loan portfolio is made up of the following classifications:

Collateral . . .	$ 53,246,074.90
Unsecured. . .	71,857,372.50
Mortgages. . .	44,754,857.11
Acceptances . .	266,955.21
Total. . .	$170,125,259.72
Less Valuation Reserves . .	4,538,342.47
Net. . . .	$165,586,917.25

FOREIGN DIVISION

Increased activity in our Foreign Division was experienced in 1952.

Exchange controls on the Canadian dollar, and regulations applying to money and securities crossing the border between Canada and the U. S. have been eliminated. This, together with the vast industrial expansion resulting in part from the discovery of new oil reserves and other natural resources, has made banking business most active between Canadian banks and ourselves.

In Mexico, another prosperous year has meant substantial commercial transactions within the framework of that expanding economy.

With the exception of Brazil and Argentina in South America, where difficulties in dollar payments continue, more and more South American banks have opened Letters of Credit through us to cover payment for goods manufactured by our customers.

A transition from governmental to private international trade was noticed this year in European countries. As a result, a greater volume of commercial business was directed to us by our European correspondent banks than ever before.

BANKING PREMISES FURNITURE AND EQUIPMENT

Our investment in banking premises is approximately what it was a year ago. During the year, we charged to our Reserve for Furniture and Equipment the cost of all furniture and mechanical equipment purchased. Charges to expense for the Furniture and Equipment Reserve amounted to $190,000 compared to $240,000 in 1951.

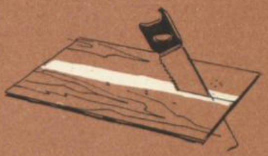
TRUST DEPARTMENT

In our Trust Department are performed the many services pertaining to the fiduciary phase of the bank's business. All of the trust functions performed by the Personal and Corporate Divisions of the department have grown with the years and have more and more importance in family life and in the world of business.

In 1952, the department served more individuals and more corporations than ever before in its history. Today, its customers are found in every state in the Union, the District

The items below are typical of the handyman hints used on our television program, "Around Home."

WORKSHOP TRICKS

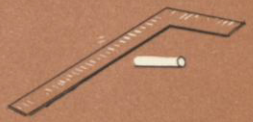


When cutting plywood

You can saw plywood without chipping the edges by placing a strip of cellophane tape along the line of the cut; then sawing through it.

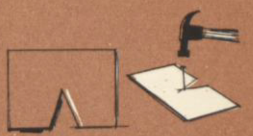
Keep putty pliable

Unused putty will stay in good condition indefinitely if you roll it into a ball, submerge it in water in a fruit jar, and cap the jar. You can also store it by wrapping it in aluminum foil.



Keep rule markings bright

You can brighten the calibrations on a metal ruler or carpenter's square by rubbing white chalk across the lines.



Hammer without a dent

A small piece of sheet metal, notched as shown, will protect the surrounding surface when you drive a nail home—or miss it—and will help hold the nail for you.

Building, Buying or Selling . . . Central National Contributes Guidance and Protection

A sense of stability and comforting peace of mind seem to be natural by-products of home ownership. In recent years, home ownership frequently represents the *only* opportunity to find a place to live . . . and, quite often, the largest investment the purchaser will make in his lifetime.

Central National Mortgage Loan Officers advise prospective home-buyers concerning neighborhood factors and the financing of a home purchase. Through its escrow service, the bank acts as a disinterested third party to assure satisfaction to the buyer and seller of real estate. In addition, Central National handles the many financial details so essential to building, buying or selling a home or other real estate.

Home Improvements Are Enjoyed While Paying for Them

When a family moves into a house of its very own, before long the house and land are indelibly marked by the personality of the occupants. The interior decorations, the garden, the way the house is maintained, each reflects something of the family's way of life.

And, sooner or later, the roof may have to be repaired, the heating plant replaced, the kitchen or bath modernized, or a room added. For most families, such projects are major expenditures, and the money is not always immediately available. Usually, Central National Bank can arrange a Home Improvement Loan to finance these improvements on terms practical for the borrower. By this means, we contribute to a happier life for the homeowner, help him preserve the value of his property and, thereby, the property values in his community.

of Columbia, and Hawaii, as well as in many foreign countries including England, Canada, Switzerland, Turkey, Germany, France and Italy.

The Trust Department has expanded the scope of its operations to meet the growing need for fiduciary services. This expansion has contributed significantly over the years to the growth of the bank.

AUTOMOBILE BANKING

One of the more popular services rendered by banking today enables customers to transact business from their automobiles. Drive-in Banking is being recognized as a necessary convenience to customers who reside in ever-widening suburban areas and those who are faced with constantly increasing traffic and parking problems.

This service now is available at five branch offices and plans are being made for its adoption at two other locations.

OTHER SERVICES

Customer use of our Bank-by-Mail service continues in increasing volume as more and more individuals and business houses realize that Central National facilities are as accessible as the nearest U. S. Post Office box at the corner on 24-hour duty. Bank-by-Mail transactions are handled in large numbers, with a minimum of expense. Hence we encourage adoption of this service whenever it will benefit the customer.

Our Safe Deposit Department has a supply of safe deposit boxes in all offices for the protection of valuables against all the hazards of modern-day living. Both individuals and businesses rely on this means of safeguarding their possessions.

All other services offered by your bank continue to have a wide acceptance by depositors and other customers. Conducted with maximum efficiency, these services assist in presenting a well balanced banking operation.

PERSONNEL

Our staff now is comprised of 942 employes, including 16 employes on a temporary basis. Presently, there are 47 former members of the bank staff who are receiving benefits under provisions of the bank's Retirement Plan. The bank's Quarter Century Club has a membership of 78, while those on the staff with 10 years of service and over, total 226. A large number of our employes enjoyed promotions during the year as an integral part of the bank's policy to promote from within the organization.

Recognition of the need for a thoroughly co-ordinated training program resulted in obtaining the services of a Training Director in June of 1952, to administer phases of training and

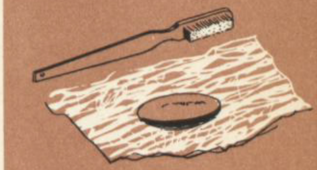
The items below are typical of the handyman hints used on our television program, "Around Home."

ALUMINUM FOIL AT WORK

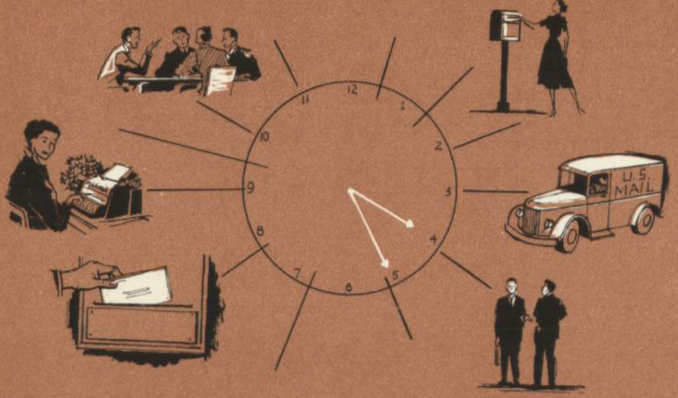
Aluminum foil has so many uses around the house that it is considered indispensable in many households. It serves all kinds of purposes, from keeping leftovers fresh, to roasting fowl. Here are some uses not known widely:

Heat reflector . . . insulation
Aluminum foil placed behind radiators, painted or not, reflects heat and directs it out into the room. Wrapped around a vacuum bottle or picnic jug, aluminum foil reflects heat both ways, keeps the contents hot (or cold) longer.

Use as a liner
Aluminum foil makes an excellent liner for the floor of a bird cage. A cup lined with foil makes an excellent paint can for small jobs. No cleaning problem . . . just throw the foil away. It's easier to crack ice cubes loose if you line the tray with aluminum foil before filling it. Incidentally, a double thickness of aluminum foil can be formed into a very satisfactory drinking cup or other needed container.



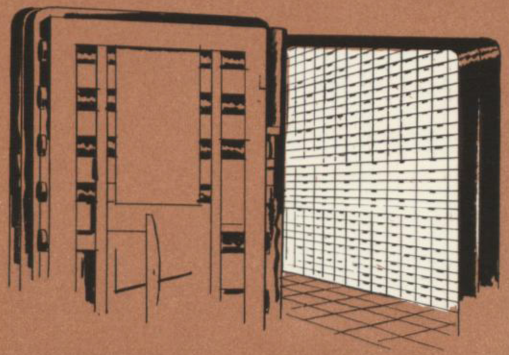
When you travel
Aluminum foil makes a perfect wrapping for a wet toothbrush, shaving brush, washcloth, or soap. Use it, too, to wrap fish when you're bringing them home.



Banking Around the Clock

Contrary to the popular conception of "banker's hours," activities do not cease at Central National when the tellers' windows close. Accounting and other internal operations continue, and conferences with customers about financial transactions often go on after the vaults are closed. Our transit staff operates virtually day and night, handling out-of-town check collections.

Two facilities are offered for making deposits beyond regular banking hours. Bank-by-Mail service enables customers to make deposits any time at the nearest mail box. Night depository service permits merchants to deposit their receipts on a 24-hour basis, thus eliminating the risk of keeping cash on their premises overnight or over a week end.



20,000 Boxes, Contents Unknown

We have no way of knowing what is in the thousands of safe deposit boxes in our vaults. We presume the owners consider the contents precious. One can surmise an astonishing variety of articles, from a lock of infant's hair to an assortment of gems, from a stack of blue-chip stocks and bonds to a bundle of love letters.

Whatever the contents, they couldn't be in a safer place. A safe deposit box offers complete protection for the papers that must not be lost, for the keepsake that is irreplaceable . . . for whatever it holds. The value of this security is immeasurable, yet it costs only a few pennies a week.

education within the bank, and to build a more comprehensive training program. Numerous training positions were established in various departments to enable management to better prepare staff members for planned advancement.

Staff members continue to enjoy the many benefits identified with bank employment. These include ideal working conditions; an employe cafeteria; hospitalization and group life insurance; an employe suggestion system with monetary rewards for ideas accepted by management; certain types of new business awards; a Christmas bonus; and social and community activities planned by our employe association, the 6-4 Club, comprised of all members of the staff.

Our well established Job Evaluation Plan continues to assure our employes of fair salary treatment. Proposed merit and promotional salary increases are reviewed monthly by a Salary Committee.

☆ ☆ ☆

During 1952, Directors advanced the following men to increased official responsibilities: Douglas S. Clarke, credit department manager, trust officer Bruce Whidden, and assistant vice presidents Charles C. Burchard, Russell H. Eichman, Morris J. Hartman and Harold W. Parsons were advanced to vice presidents; assistant cashiers Forde U. Steele and William P. Woodbridge to assistant vice presidents; Charles P. Lamb, William F. Taylor, Jr., and George H. Sell were elected branch office managers; and William E. Flack, H. Lloyd Fulton, Ben F. Hopkins, Jr., Kirke P. Lincoln, Jr., and Fred U. Luehrs were elected assistant cashiers.

Nine members of the bankstaff are serving in the United States Armed Forces, three of them in Foreign Countries. We are in communication with these men regularly and they were included in the Christmas Bonus distribution.

☆ ☆ ☆

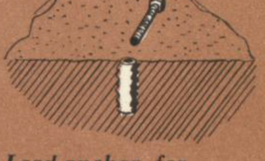
This report, indeed, would be incomplete without recording two milestones reached and passed by the Chairman of our Board of Directors, John C. McHannan. On October 1, 1952, he marked his 60th year of continuous employment by the bank and on October 31, celebrated his 80th birthday anniversary. These events were appropriately recognized by his friends and associates and received widespread acclaim in the public press.

☆ ☆ ☆

Also to be recorded here are the names of five members of our staff who retired during the past 12 months. To Vice President Robert J. Izant, Assistant Vice President Daniel A. Berardi, and to Edward Merriweather,

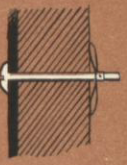
The items below are typical of the handyman hints used on our television program, "Around Home."

FASTENING TIPS



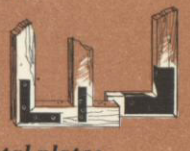
Lead anchor for fastening to masonry

Drill a hole to accommodate the lead anchor with a carbide masonry bit or a star drill, which is a kind of chisel struck with a hammer. Insert the anchor and turn the lead screw into it.



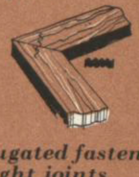
Toggle bolt for fastening to plaster

When you need to hang something heavy on a plaster or composition wall, between the studs, a toggle bolt is the answer. Drill a hole in the wall. Put the bolt through the hole in the fixture and screw it a little way into the split-wing nut. Then, push bolt and nut through hole in the wall. Now, turn bolt up tight. The wings open, inside the wall, and hold firmly.



Metal plates for heavy joints

Various sizes and shapes of metal plates and angle strips, available at most hardware stores, help you make a strong joint quickly, can often be used to make a quick repair on a weak joint.

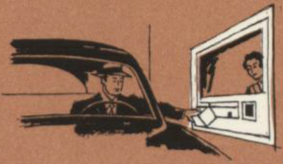


Corrugated fasteners for light joints

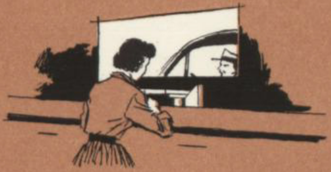
Corrugated fasteners are a quick way to fasten wood joints that will not be subjected to great strain.

Automobile Banking . . . A Step Ahead

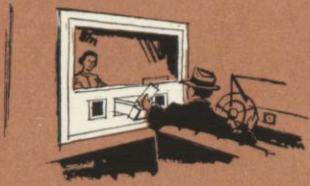
The automobile, as an inescapable factor in our daily lives, must be considered in progressive business planning. That is why Central National Bank is steadily extending its automobile banking service in Greater Cleveland. This modern method of banking permits our customers to make deposits, withdrawals, cash checks, and handle other transactions not requiring a conference, without leaving their cars. The illustrations below show you how convenient it is:



1. Drive alongside the automobile window, give teller your instructions and place material in sliding drawer.



2. Teller records your transaction and returns papers or currency to you.



3. You remove papers or currency and drive away—your banking is completed.

Five of our offices now provide automobile banking facilities. Our Playhouse Square Office offers the only drive-inside banking in downtown Cleveland. Doan, Shaker Heights, Kenmore, and Cedar-Center Offices all have automobile banking service, and it will be available at the new Brookpark-Pearl Office and our relocated Buckeye Road Office.

More and more of our customers are using our Automobile Banking Service . . . for added safety . . . for speedy service . . . and to avoid inclement weather.

Flora M. Seibig, and John A. Nealon, go a warm expression of affection and esteem for their contributions to the bank's progress over the years of their association with it.

We gratefully acknowledge the continued devotion to duty as expressed by the services of all members of the staff and of Directors, without which devotion the successful achievements of the past year would not have been possible.

Respectfully submitted,

JOHN C. MCHANNAN,
Chairman

LORING L. GELBACH,
President

Cleveland, Ohio
January 13, 1953

Condensed Statement of Condition

ASSETS	**December 31, 1952**		**December 31, 1951**	
Cash in Vault and Due from Banks		$122,379,989.58		$ 114,913,905.76
U. S. Government Obligations		207,735,222.69		200,653,592.93
Other Bonds and Securities, Including Stock of Federal Reserve Bank		1,657,130.37		2,137,362.83
Loans and Discounts (Less Reserves)		165,586,917.25		148,200,696.05
Customers' Liability under Acceptances and Letters of Credit Outstanding		4,094,655.08		440,734.08
Banking Premises		1,864,904.19		1,851,815.38
Accrued Interest and Other Assets		1,831,747.46		1,268,339.23
Total Assets		$505,150,566.62		$469,466,446.26
LIABILITIES				
Deposits:				
Demand	$348,001,067.01		$322,898,658.42	
Time	130,483,293.25	$478,484,360.26	125,416,335.51	$448,314,993.93
Acceptances and Letters of Credit Outstanding		4,094,655.08		440,734.08
Accrued Expenses, Taxes, etc.		2,701,375.64		1,602,108.05
Capital Stock — 562,500 Shares, Par Value $16	$ 9,000,000.00		$9,000,000.00	
Surplus	9,000,000.00		9,000,000.00	
Undivided Profits	1,870,175.64		1,108,610.20	
Total Capital Accounts		19,870,175.64		19,108,610.20
Total Liabilities		$505,150,566.62		$469,466,446.26

United States Government obligations and other assets were pledged to secure trust deposits and public funds and for other purposes as required by law; at December 31, 1952—$62,591,032.58; at December 31, 1951—$51,229,027.08.

Member Federal Deposit Insurance Corporation

STATEMENT OF SURPLUS AND UNDIVIDED PROFITS

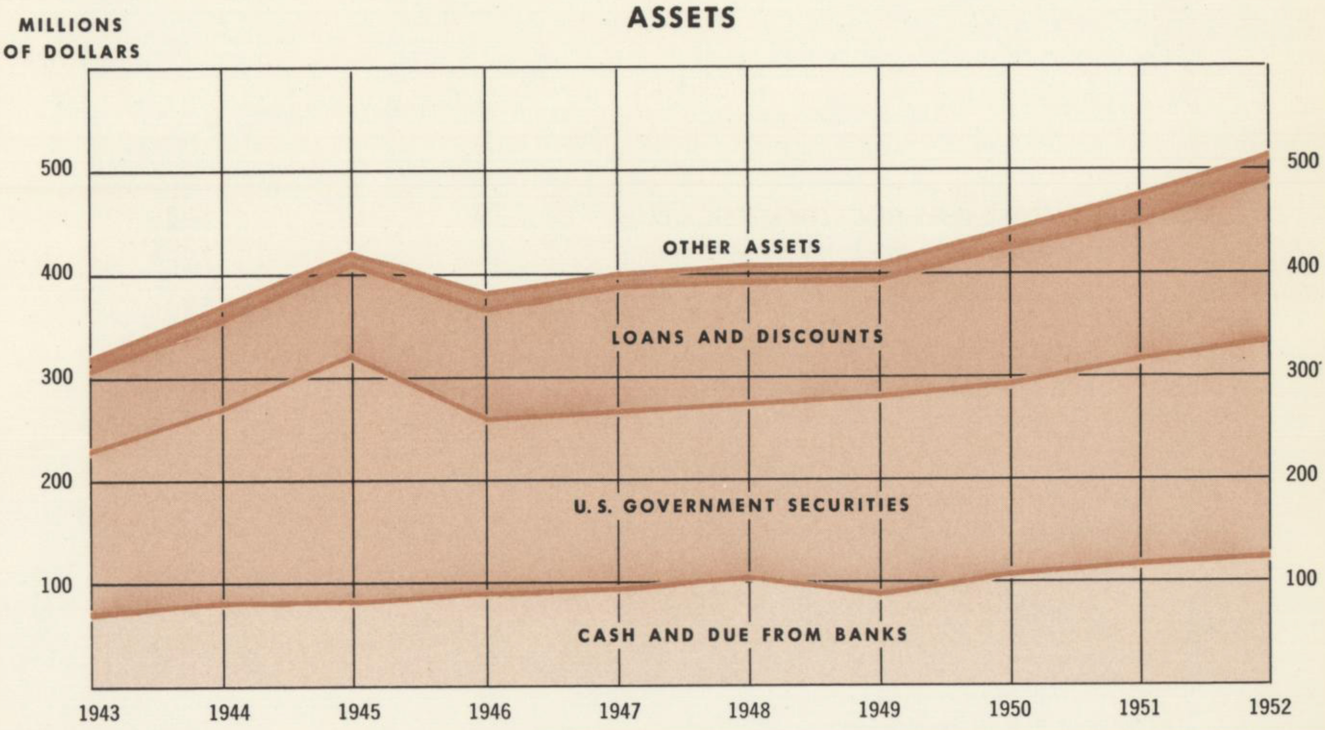
Balance Forward — January 1, 1952	$10,108,610.20
Additions:	
From 1952 Earnings	1,396,064.39
Recoveries (after taxes)	153,001.05
Total	$11,657,675.64
Deductions:	
Dividends Paid	787,500.00
Balance December 31, 1952	$10,870,175.64

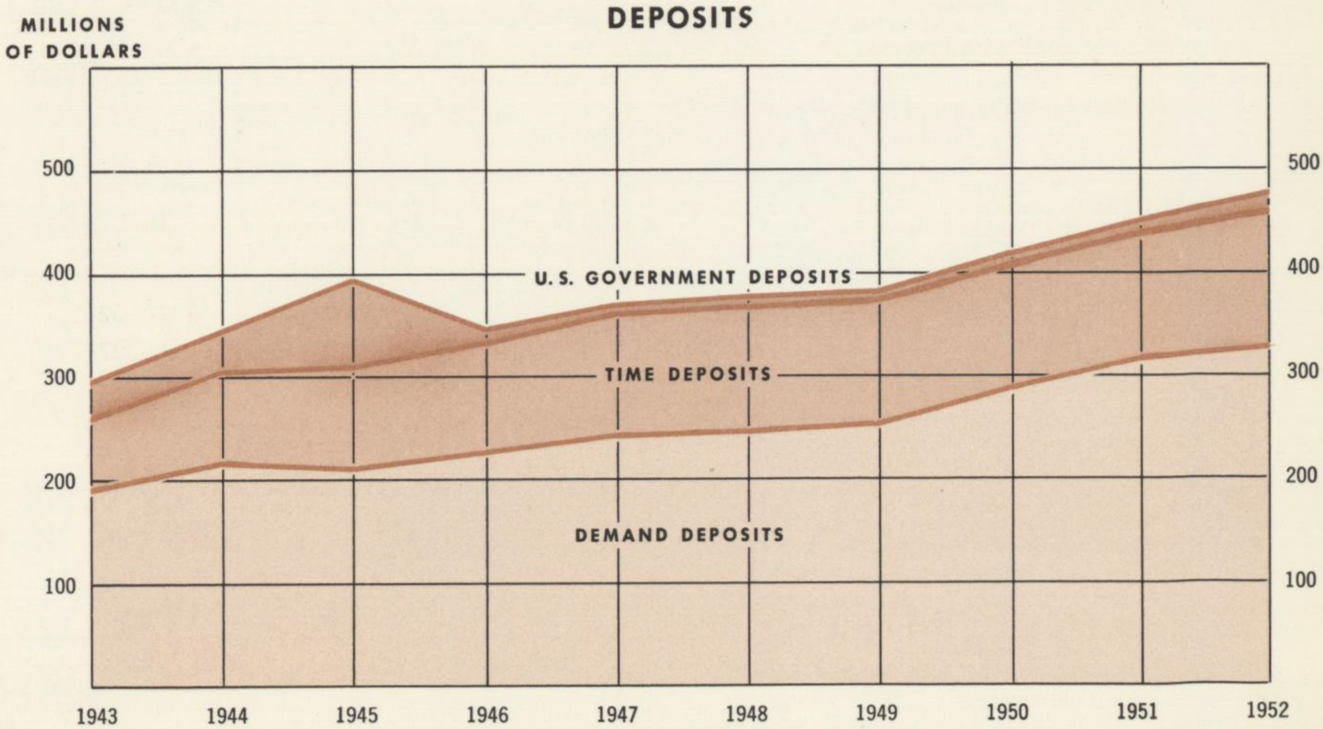
Statement of Earnings

OPERATING INCOME	1952	1951
Interest on Loans (After Amortization)	$ 6,147,622.82	$ 5,512,433.00
Interest on U. S. Securities (After Amortization)	3,440,461.18	2,954,945.28
Interest on Other Securities (After Amortization)	55,710.02	67,733.48
	$ 9,643,794.02	$ 8,535,111.76
Trust Department Income	788,478.87	798,924.02
Service Charges	675,813.19	606,093.36
Other Income	277,405.27	256,828.53
TOTAL OPERATING INCOME	$11,385,491.35	$10,196,957.67
OPERATING EXPENSES		
Interest on Time Deposits	$ 1,130,597.02	$ 1,041,819.08
Salaries, Wages, and Contribution to Retirement Plan	3,924,824.30	3,406,046.94
Occupancy Expenses (Including Real Estate Taxes)	818,453.82	759,260.29
Taxes (Other than Real Estate and Federal Income)	577,368.28	631,762.08
Federal Deposit Insurance	134,010.00	146,655.73
Other Expenses	1,477,863.06	1,494,175.75
TOTAL OPERATING EXPENSES	$ 8,063,116.48	$ 7,479,719.87
OPERATING EARNINGS BEFORE FEDERAL INCOME TAX	$ 3,322,374.87	$ 2,717,237.80
Provision for Federal Income Tax on Operating Earnings	1,160,000.00	610,000.00
NET OPERATING EARNINGS BEFORE RESERVES	$ 2,162,374.87	$ 2,107,237.80
Transferred to Valuation Reserves	775,000.00	1,300,000.00
OPERATING EARNINGS AFTER RESERVES	$ 1,387,374.87	$ 807,237.80
Profit on Securities Sold—After Taxes	8,689.52	4,302.30
EARNINGS ADDED TO UNDIVIDED PROFITS	$ 1,396,064.39	$ 811,540.10

Balance Sheet and Operating Ratios

EARNINGS ON COMMON STOCK PER SHARE	**1952**	**1951**
Operating Earnings before Federal Income Taxes	$ 5.90	$ 4.83
Provision for Federal Income Tax on Operating Earnings	2.06	1.09
Net Operating Earnings Before Reserves	$ 3.84	$ 3.74
Profit on Securities Sold (After Taxes)	.02	.01
Total Net Earnings Before Reserves	$ 3.86	$ 3.75
Distribution of Total Net Earnings		
To Valuation Reserve	$ 1.38	$ 2.31
To Undivided Profits	2.48	1.44
Total	$ 3.86	$ 3.75
BOOK VALUE PER COMMON SHARE	$35.32	$33.97
OPERATING INCOME—PER CENT OF TOTAL		
Interest on Loans (After Amortization)	53.99%	54.06%
Interest on Securities (After Amortization)	30.71	29.64
Trust Department Income	6.93	7.84
Other Income	8.37	8.46
Total Operating Income	100.00%	100.00%
Distribution of Operating Income		
Interest Paid on Time Deposits	9.93%	10.22%
Salaries, Wages, and Contribution to Retirement Plan	34.47	33.40
Occupancy Expense (Including Real Estate Taxes)	7.19	7.45
Taxes (Other than Real Estate and Federal Income)	5.07	6.19
Federal Deposit Insurance	1.18	1.44
Other Expenses	12.98	14.65
Total Expenses	70.82	73.35
Provision for Federal Income Tax on Operating Earnings	10.19	5.98
Net Operating Earnings	18.99	20.67
	100.00%	100.00%
AVERAGE RATE OF EARNINGS PER ANNUM (After Amortization)		
Total Loans (Discounts, Mortgage, Personal, etc.)	4.11%	3.87%
U. S. Securities	1.74	1.65
Other Securities	3.03	2.62
Total Loans and Securities	2.76	2.63
ASSETS—PER CENT OF TOTAL		
Total Cash and Due from Banks	24.23%	24.48%
Loans and Discounts	32.78	31.57
U. S. Securities	41.12	42.74
Other Bonds and Securities	.33	.45
Other Assets	1.54	.76
Total Assets	100.00%	100.00%
DEPOSITS—PER CENT OF TOTAL		
Commercial	52.85%	55.19%
Bank	8.28	7.40
Public Funds—Demand	3.34	3.12
Other Demand Deposits	5.05	3.78
Total Demand Deposits	69.52	69.49
Savings Deposits	24.58	25.18
Other Time Deposits	2.69	2.79
Total Time Deposits	27.27	27.97
Treasury Tax and Loan Account	3.21	2.54
Total Deposits	100.00%	100.00%


ASSETS
MILLIONS OF DOLLARS
500
400
300
200
100
OTHER ASSETS
LOANS AND DISCOUNTS
U. S. GOVERNMENT SECURITIES
CASH AND DUE FROM BANKS
1943
1944
1945
1946
1947
1948
1949
1950
1951
1952


DEPOSITS
MILLIONS OF DOLLARS
500
400
300
200
100
U. S. GOVERNMENT DEPOSITS
TIME DEPOSITS
DEMAND DEPOSITS
1943
1944
1945
1946
1947
1948
1949
1950
1951
1952

of Assets and Deposits

The bank has had a constant and substantial growth. This growth during the last ten-year period is reflected in the two tabulations shown below.

ASSETS

(In Thousands of Dollars)

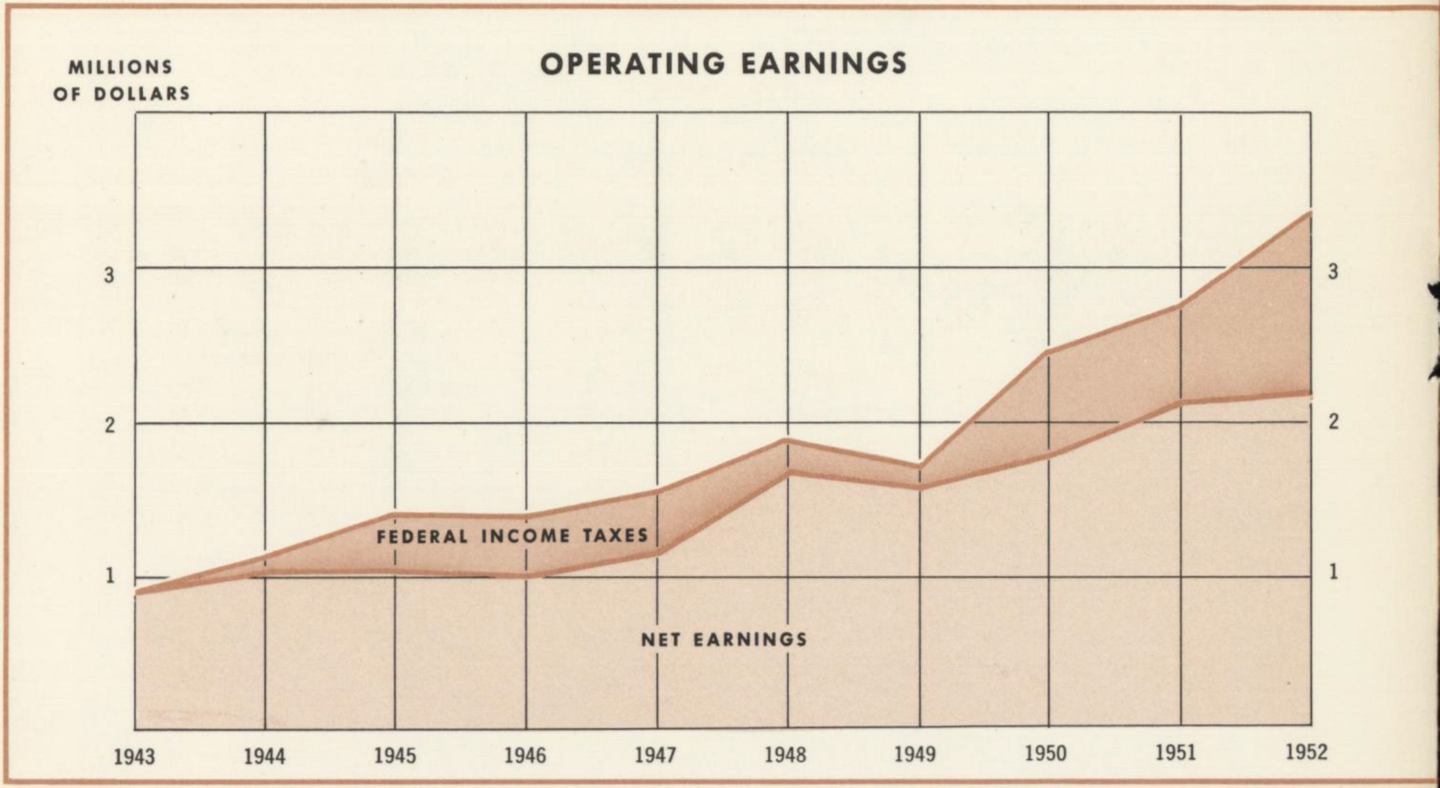
At Year End	Cash in Vault and Due from Banks	U. S. Gov't. Securities	Loans and Discounts	Other Assets	Total Assets
1943	$ 69,357	$157,253	$ 80,221	$ 9,674	$316,506
1944	78,416	184,953	92,456	8,545	364,371
1945	76,578	239,654	89,828	9,501	415,563
1946	84,730	166,401	109,144	12,363	372,639
1947	89,447	171,409	122,371	11,181	394,409
1948	99,906	170,969	119,692	12,202	402,770
1949	85,135	190,492	115,645	11,306	402,579
1950	104,790	185,193	135,935	18,076	443,995
1951	114,913	200,653	148,200	5,698	469,466
1952	122,379	207,735	165,586	9,448	505,150

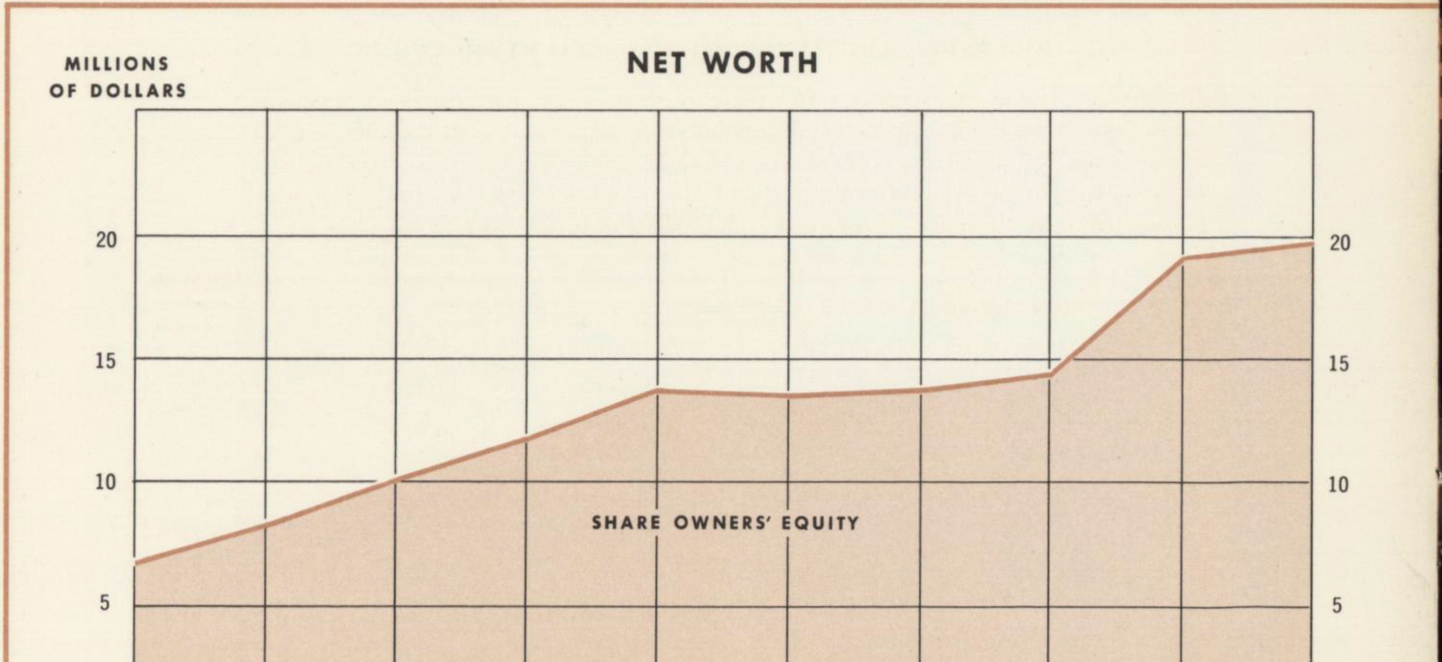
DEPOSITS

(In Thousands of Dollars)

At Year End	Demand Deposits	Time Deposits	Total Time and Demand Deposits	U. S. Treasury Tax and Loan Account	Total Deposits
1943	$192,004	$ 70,940	$262,944	$34,207	$297,152
1944	216,024	87,321	303,346	40,981	344,327
1945	207,156	99,458	306,615	85,713	392,328
1946	223,696	111,236	334,933	10,042	344,975
1947	242,159	121,605	363,764	3,653	367,417
1948	243,771	125,145	368,916	7,053	375,970
1949	249,699	122,574	372,273	8,425	380,698
1950	284,933	121,141	406,074	7,551	413,625
1951	311,525	125,416	436,941	11,373	448,314
1952	332,652	130,483	463,135	15,348	478,484

Ten-Year Comparison of





Earnings and Capital Accounts

EARNINGS

The improvement in the Bank's earnings during recent years is shown in the following comparison:

Year	Operating Earnings	Federal Income Taxes	Net Operating Earnings	Per Share Operating Earnings (a)	Per Share Federal Income Taxes (a)	Per Share Net Operating Earnings (a)	Per Share Dividends Paid
1943	$ 935,396	$ —0—	$ 935,396	$1.66	$ –0–	$1.66	$ .45
1944	1,143,049	60,000	1,083,049	2.03	.10	1.93	.60
1945	1,429,805	370,000	1,059,805	2.54	.66	1.88	.70
1946	1,398,020	375,000	1,023,020	2.49	.67	1.82	.80
1947	1,548,458	383,000	1,165,458	2.75	.68	2.07	1.00
1948	1,890,983	199,000	1,691,983	3.36	.35	3.01	1.10
1949	1,708,638	120,000	1,588,638	3.03	.21	2.82	1.20 (b)
1950	2,451,076	675,000	1,776,076	4.36	1.20	3.16	1.20
1951	2,717,237	610,000	2,107,237	4.83	1.09	3.74	1.30 (c)
1952	3,322,374	1,160,000	2,162,374	5.90	2.06	3.84	1.40

(a) Adjusted to 562,500 shares presently outstanding.
(b) Also 10% Stock Dividend.
(c) Also two Stock Dividends aggregating 13.305785%.

COMMON CAPITAL ACCOUNTS AND RESERVES

Increasing earnings and a conservative policy with respect to cash dividend payments have enabled the Bank to make continued progress in increasing its common capital accounts and valuation reserves for loans. Capital funds were increased by the sale of new shares in the amounts of $1,250,000 in 1947 and $4,722,300 in 1951. The table below illustrates the accomplishment in these respects during the last ten years.

At Year End	Number of Shares of Stock	Common Stock, Surplus, and Undivided Profits (a)	Book Value Per Share (b)	Valuation Reserve for Loans
1943	250,000	$ 6,741,454	$11.98	
1944	250,000	8,202,943	14.58	
1945	250,000	9,973,878	17.73	
1946	250,000	11,575,343	20.58	
1947	300,000	13,528,104	24.05	
1948	300,000	13,382,221	23.79	$1,487,562
1949	330,000	13,607,974	24.19	2,163,959
1950	330,000	14,169,591	25.19	2,687,458
1951	562,500	19,108,610	33.97	3,858,455
1952	562,500	19,870,175	35.32	4,538,342

(a) After adjustment for the difference between Retirable Value and Par Value of Preferred Stock for the years 1943, 1944 and 1945.
(b) Adjusted to 562,500 shares presently outstanding.

Directors of the Bank

Walter C. Astrup
Chairman, The Astrup Co.

Allen L. Billingsley
President, Fuller & Smith & Ross Inc.

Samuel E. Bool
Cleveland, Ohio

James E. Campbell
President, The Campbell Coal Co.

Geo. S. Cole
Cleveland, Ohio

George E. Creadon
Treasurer and General Mgr.,
The Standard Brewing Co.

Howard P. Eells, Jr.
President, Basic Refractories, Inc.

Loring L. Gelbach
President

Herbert C. Jackson
Partner, Pickands, Mather & Co.

J. M. Killpack
Vice President

L. F. Laylin
Vice President

C. P. Leininger
President, Eagle Laundry, Inc.

J. C. McHannan
Chairman

E. R. Motch, Jr.
President, The Motch & Merryweather
Machinery Co.

F. C. Schlundt
Cleveland, Ohio

Robert J. Schmunk
Cleveland, Ohio

W. J. Schoenberger
Cleveland, Ohio

Lester M. Sears
Chairman, Towmotor Corporation

E. W. Sloan, Jr.
Vice President and Treasurer,
Oglebay, Norton and Company

W. A. Southworth
Squire, Sanders & Dempsey

R. J. Wean
President and Treasurer,
The Wean Engineering Co., Inc.,
Warren, Ohio

James A. Weeks
Thompson, Hine & Flory

Myron H. Wilson, Jr.
Partner, Wilson, McBride & Co.

Alexander T. Wood
President, The Wilson Transit Co.

L. C. Wykoff
Arter, Hadden, Wykoff & Van Duzer

Officers of the Bank

John C. McHannan, *Chairman*

Loring L. Gelbach, *President*

General Banking

J. M. Killpack
Vice President

DIVISION A

H. H. Juergens
Vice President

C. W. Deutsch
Assistant Cashier

H. L. Fulton
Assistant Cashier

R. W. Knipper
Assistant Cashier

DIVISION B

H. R. Harris
Vice President

C. C. Burchard
Vice President

H. W. Parsons
Vice President

R. S. Strong
Assistant Vice President

W. P. Woodbridge
Assistant Vice President

DIVISION C

W. E. Caldwell, Jr.
Vice President

O. A. Kuhl, Jr.
Vice President

M. J. Hartman
Vice President

W. H. Quayle
Assistant Vice President

K. P. Lincoln, Jr.
Assistant Cashier

DIVISION D

E. L. Carpenter
Vice President

C. H. Martin
Vice President

E. J. Sprankle
Assistant Vice President

B. F. Hopkins, Jr.
Assistant Cashier

E. E. Steehler
Assistant Cashier

J. R. Wilson
Assistant Cashier

Consumer Credit

DIVISION E

J. J. Holland
Vice President

A. G. Randt
Assistant Cashier

A. R. Strittmatter
Assistant Cashier

Foreign Division

DIVISION F

O. L. Carlton
Vice President

J. F. Schreier
Assistant Vice President

J. A. Hess
Assistant Cashier

Business Development Department

R. H. Eichman
Vice President

F. U. Steele
Assistant Vice President

W. E. Flack
Assistant Cashier

F. U. Luehrs
Assistant Cashier

INVESTMENTS

C. M. Colyer
Vice President

ECONOMIST

R. H. Metzner
Vice President

CREDIT DEPARTMENT

D. S. Clarke
Vice President

PERSONNEL

Frederick Lynch, Jr.
Director

LEGAL DEPARTMENT

L. F. Laylin
Vice President

W. T. Smith
Assistant Counsel

* * *

R. C. Huelsman
Vice President
and Comptroller

T. W. Harris
Assistant Comptroller

R. N. Vieracker
Auditor

* * *

M. W. Moran
Cashier

J. L. Carlson
Assistant Cashier

A. J. Mampel
Assistant Cashier

Wilson W. Smith
Assistant Cashier

* * *

J. J. Luttner
Assistant Cashier

A. E. Staley
Assistant Vice President

J. H. Perry
Assistant Cashier

* * *

H. J. Wills
Assistant Vice President

Trust Department

A. C. Knight
Vice President

J. P. Hance
Vice President

W. A. Hiles
Vice President

H. A. Minnich
Vice President

W. C. Way
Vice President

Bruce Whidden
Vice President

K. G. Chamberlain
Trust Officer

J. T. Lieser
Trust Officer

L. H. Lyman
Trust Officer

J. P. McClain
Trust Officer

W. G. Stoll
Trust Officer

E. H. Wallace
Trust Officer

C. H. Braley
Manager Tax Division

R. E. Mayne
Manager
Trust Investment Division

CENTRAL NATIONAL BANK OFFICES

MAIN OFFICE
123 West Prospect Ave.
Cleveland 1, Ohio

EUCLID AVENUE OFFICE
509 Euclid Ave.
W. P. Abbott, *Vice President*
R. E. Arnold, *Manager*

UNITED OFFICE
2000 West 25th St.
W. F. Taylor, Jr., *Manager*
Alvin D. Heil, *Assistant Cashier*

PLAYHOUSE SQUARE OFFICE
1718 Euclid Ave.
W. G. Kirkwood, *Manager*

ROCKEFELLER OFFICE
612 Superior Ave., N.W.
J. J. Schultz, *Manager*

LORAIN-WEST 117th STREET OFFICE
11718 Lorain Ave.
J. L. Graf, *Manager*

OUL OFFICE
Broadway at East 55th St.
W. A. McGinnis, *Manager*
A. A. Penkalski, *Assistant Mgr.*

DOAN OFFICE
Euclid Ave. at East 101st St.
D. D. Scott, *Assistant Vice President*

BUCKEYE ROAD OFFICE
Buckeye Rd. and East 118th St.
A. M. Rose, *Manager*

COVENTRY OFFICE
Coventry and Lancashire Rds.
L. O. Bond, *Manager*

KENMORE OFFICE
St. Clair Ave. at East 140th St.
R. S. Wilson, *Manager*

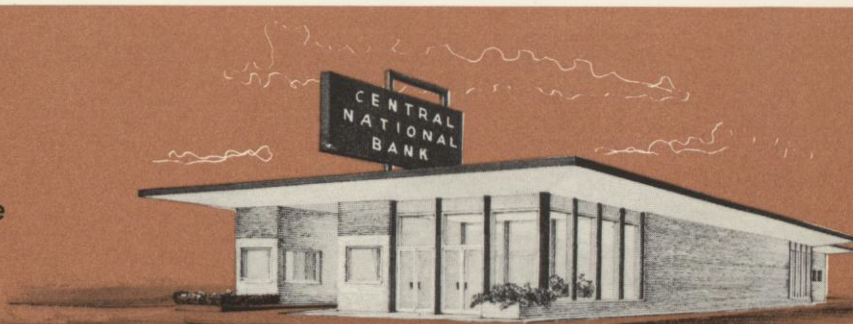
SHORE CENTER OFFICE
22332 Lake Shore Blvd.
R. C. Palmer, *Manager*

SHAKER HEIGHTS OFFICE
16821 Kinsman Rd., East of Lee
D. M. Agard, *Manager*

CEDAR-CENTER OFFICE
13917 Cedar Rd.
C. P. Lamb, *Manager*

BROOKPARK-PEARL OFFICE *
6300 Brookpark Rd.
G. H. Sell, *Manager*

CHAGRIN FALLS OFFICE
Chagrin Falls, Ohio
C. W. Blazer, *Manager*



**New Brookpark-Pearl Office*

This spring, our Brookpark-Pearl Office will move into permanent quarters, one of the most modern banking structures in the Cleveland Area. The new structure brings the ultimate in banking convenience, including four automobile banking windows, to the Brookpark-Pearl Area.

Litho in U.S.A.